

Legislative Study Commission N.C. Public Private Partnerships

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EXPERIENCE WITH PUBLIC PRIVATE PARTNERSHIPS

Public Private Education Facilities and Infrastructure Act of 2002

TC Williams High School, Alexandria City Schools

Cosby High School, Chesterfield County Schools

James Monroe High School, Fredericksburg City Schools

Lafayette Elementary School, Fredericksburg City Schools

Skyline Middle School, Harrisonburg City Schools

Smithland Elementary School, Harrisonburg City Schools

Combined Middle High School, Northumberland Co Schools

Police and E-911 Center, City of Fredericksburg

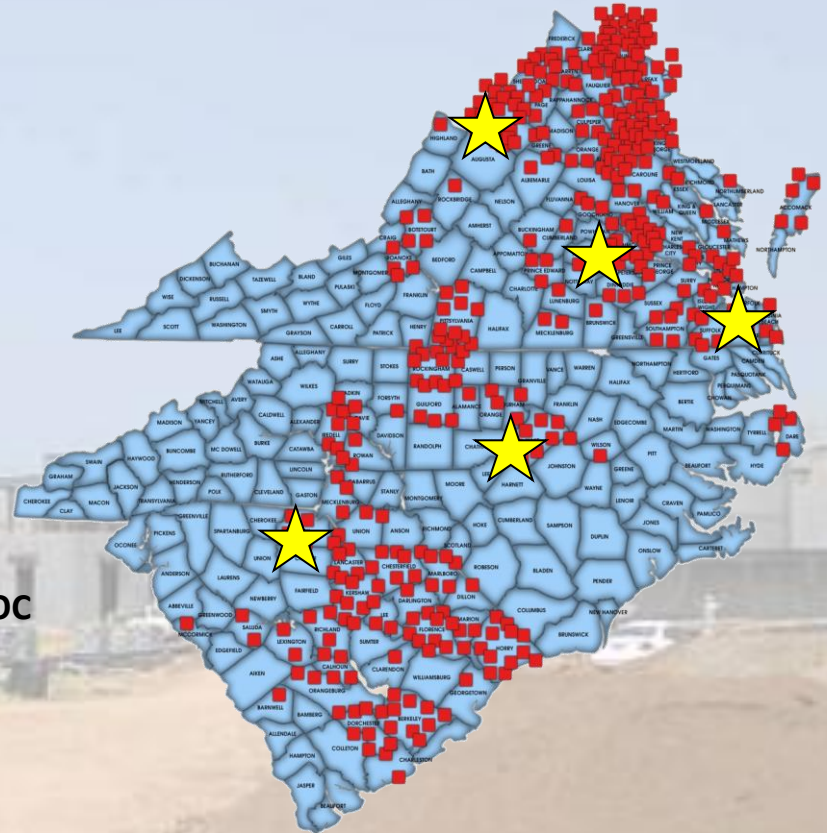
Pocahontas Correctional Center, Tazewell County – VDOC

Green Rock Correctional Center, Chatham, Pittsylvania – VDOC

Deerfield Correctional Center, Southampton County – VDOC

Mt. Rogers Correctional Center, Grayson County – VDOC

Greenridge Recreation Center, Roanoke County



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EXPERIENCE WITH PUBLIC PRIVATE PARTNERSHIPS

Cosby High School

Chesterfield, Virginia
1750 student high school
257,000 sf
2006

Accelerated schedule
Site procured by
the developer



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EXPERIENCE WITH PUBLIC PRIVATE PARTNERSHIPS

T. C. Williams High School

Alexandria, Virginia

2,400 student replacement high school

2008

Existing urban high school site
Complicated logistics



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EXPERIENCE WITH PUBLIC PRIVATE PARTNERSHIPS

Police and E-911 Center

Fredericksburg, Virginia

34,000 sf

2007



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Green Ridge Multigenerational Recreation Center

Roanoke, Virginia

78,952 sf

2009



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EXPERIENCE WITH PUBLIC PRIVATE PARTNERSHIPS

James Monroe High School

Fredericksburg, Virginia

1200 High School

93,000 sf

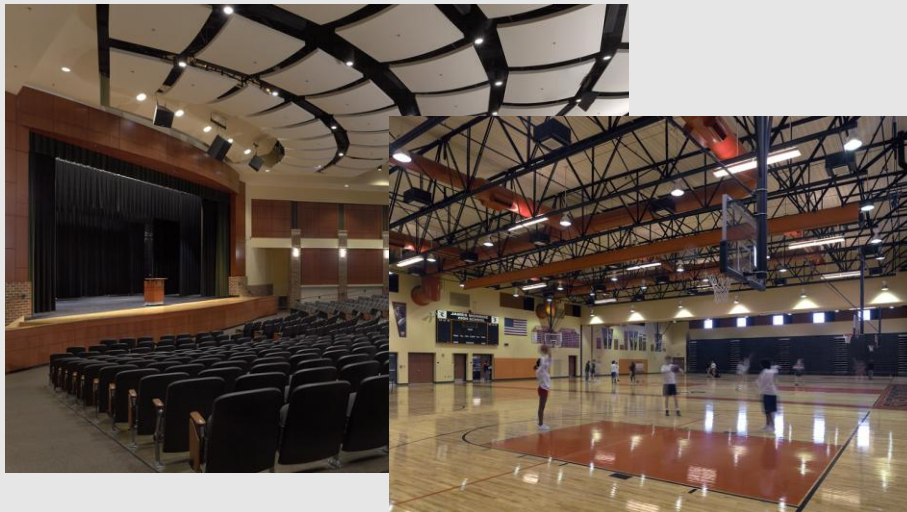
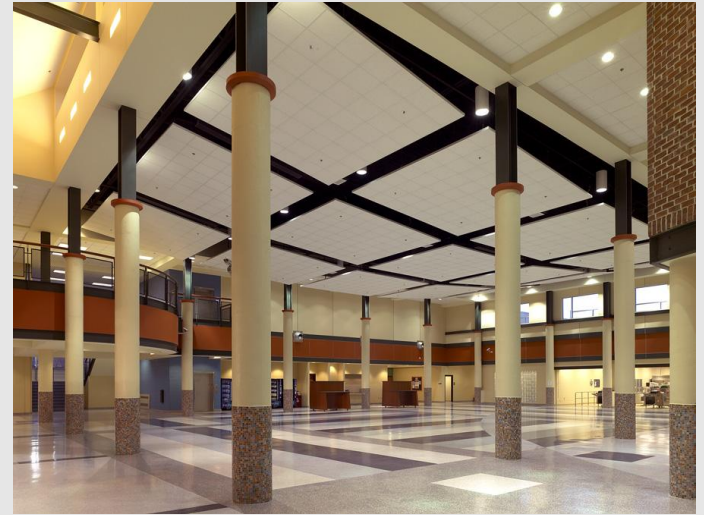
2006

Accelerated schedule

No Change Orders

Early GMP

Pairing the contractor with the architect



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Virginia Myths about Public Private Partnerships

- “The increased competition will result in significant savings (up to 30%)”
- “By renting the schools after hours to outside groups, we can reduce the costs of the school”
- “We can’t afford to build a school so we will get the private sector to build it for us”
- “The District can reallocate all their risk to the private developer”
- “The Developer will do all of the up front work free to get the pot of gold at the end of the rainbow”

EXPERIENCE WITH PUBLIC PRIVATE PARTNERSHIPS

Virginia's Outcomes

- Process allowed public sector to pick the "A Team".
- Projects completed through the PPEA process were for the most part within budget, completed on time, and with minimal change orders.
- Projects were good quality construction - No low bid mentality
- Process is considered the "best value" approach.
- Many project were completed that otherwise would not have been done.
- Most projects did not include a financing structure.
- Turn key process was less head aches for clients.
- Process created a more collaborative team environment.
- Outside the comfort zone for many agencies.
- Managing expectations in a design/build environment.

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Virginia's Outcomes

- Does not necessarily save money - May be more expensive with up front costs, which can be mitigated by saving time and avoiding change orders
- Process is complex with significant legal expenses.

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Comparison – Project Delivery

VIRGINIA PPEA - 2002

Design Build Approach

Flexibility of self-performance of work

Leasing is just one option

Authority rests with local County approval

Early GMP = more risk to Developer

Public bidding laws are not in affect

Team chosen based on qualification and price

Contract Form: Comprehensive Agreement

Flexible Project Requirements

NORTH CAROLINA PPP - 2006

Construction Manager at Risk Approach

Intent of law is that CMAR would not self perform

Law is written as a BTS - Capital Lease Agreement

LGC approval

GMP usually established after public bid process = Less Risk

NC statute requires public bid process, allows prequalification

Team is chosen based on qualifications only

Contract Form: Build to Suite Capital Lease

Details of project are known at time of pricing GMP

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Keys for Success

1. PPP is best suited for revenue producing project when private and public partners can both benefit.
2. PPP should be written to allow flexible financial options.
3. LGC guidance on proper response to PPP proposals.
4. Need flexibility regarding public bidding regulations.

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